

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt61_LFB

➤ Record of Comm. Proceedings ... RCP

➤ **

Financial Institutions

(LFB Budget Summary Document: Page 228)

LFB Summary Items for Which Issue Papers Have Been Prepared

| <u>Item #</u> | <u>Title</u> |
|---------------|---|
| 1 | Minor Policy and Technical Changes -- Standard Budget Adjustments (Paper #390) |
| 6 | Credit Union Examiners (Paper #391) |
| 8 | Small Business Information Center (Paper #392) |
| 2-5,7&9-11 | Technology-Related Requests (Paper #393) |

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes -- Standard Budget Adjustments (Financial Institutions)

[LFB Summary: Page 228, #1]

GOVERNOR

Adjust DFI's base budget for nonrecurring costs by -\$232,100 PR in 1997-98 and by -\$251,300 PR in 1998-99.

MODIFICATION TO BILL

Adjust DFI's base position authority to reflect the deletion of 2.0 project positions annually.

Explanation: The administration indicates that the deletion of these provisions should have been reflected in the budget bill. Two 0.5 positions will end on September 30, 1997, and 1.0 position will end on December 31, 1997.

| <u>Modification</u> | <u>PR</u> |
|------------------------------------|-----------|
| 1998-99 POSITIONS (Change to Bill) | - 2.00 |

MO# *Modification to Bill*

| | | | |
|----------|----------|---|---|
| JENSEN | <i>Y</i> | N | A |
| OURADA | <i>Y</i> | N | A |
| HARSDORF | <i>Y</i> | N | A |
| ALBERS | <i>Y</i> | N | A |
| GARD | <i>Y</i> | N | A |
| KAUFERT | <i>Y</i> | N | A |
| LINTON | <i>Y</i> | N | A |
| COGGS | <i>Y</i> | N | A |

| | | | |
|-----------|----------|---|---|
| 1 BURKE | <i>Y</i> | N | A |
| 2 DECKER | <i>Y</i> | N | A |
| GEORGE | <i>Y</i> | N | A |
| JAUCH | <i>Y</i> | N | A |
| WINEKE | <i>Y</i> | N | A |
| SHIBILSKI | <i>Y</i> | N | A |
| COWLES | <i>Y</i> | N | A |
| PANZER | <i>Y</i> | N | A |

Prepared by: Kelsie Doty

| |
|---|
| <p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p> |
|---|

ISSUE

Credit Union Examiners (Financial Institutions)

[LFB Summary: Page 229, #6]

CURRENT LAW

There are currently 14.0 authorized examiner positions in DFI's Office of Credit Unions.

GOVERNOR

Provide \$83,200 PR in 1997-98 and \$101,000 PR in 1998-99 and 2.0 permanent examiner positions in each year in the Office of Credit Unions.

DISCUSSION POINTS

1. There have been a total of 14 state credit union examiners since 1987. These examiners are responsible for evaluating the safety and soundness of state chartered credit unions. Their responsibilities include examining records and accounts and analyzing the major components of the credit union's assets, liability and equity accounts. An examination is concentrated in five areas: capital, asset quality, management, earnings and liquidity analysis. In addition, the examiners evaluate policies, procedures, services offered, planning and budgeting and the overall ability of the credit union management.

2. The National Credit Union Administration instituted a new examination program recently and, as a result, examinations take an average of 7% longer to complete. In addition,

credit unions were converted to federal deposit insurance in the late 1980s which required the collection of additional data.

3. The following table provides a comparison of the number of credit union examiners to the number of credit unions and amount of credit union assets for 1996 in Wisconsin and neighboring states. The same comparison is also made to reflect 15 and 16 Wisconsin credit union examiners.

| | <u>Credit Union Examiners</u> | <u>Credit Union Assets (\$ Millions)</u> | | <u>Number of Credit Unions</u> | |
|-----------|-----------------------------------|--|---------------------|--------------------------------|---------------------|
| | | <u>Total</u> | <u>Per Examiner</u> | <u>Total</u> | <u>Per Examiner</u> |
| Illinois | 25.0 | \$8,579.3 | \$343.2 | 505 | 20.2 |
| Iowa | 14.0 | 2,881.4 | 205.8 | 211 | 15.1 |
| Michigan | 28.0 | 10,021.6 | 357.9 | 324 | 11.6 |
| Minnesota | 5.5 | 2,266.8 | 412.1 | 144 | 26.2 |
| Wisconsin | 14.0 | 6,569.9 | 469.3 | 375 | 26.8 |
| | 15.0 | 6,569.9 | 438.0 | 375 | 25.0 |
| | 16.0 | 6,569.9 | 410.6 | 375 | 23.4 |

With 14 credit union examiners, Wisconsin currently has more credit unions per examiner and assets per examiner than the neighboring states. If one credit union examiner is added in Wisconsin, the state of Minnesota would then have more credit unions per examiner than Wisconsin. If two examiners are added, Minnesota would also have more assets per examiner.

4. Since 1990, the number of credit unions has decreased each year in Wisconsin by approximately 2.6% while the amount of credit union assets has increased by approximately 8.0% annually. The table below shows the number of credit unions and total assets from 1990 through 1996.

| | <u>Number of Credit Unions</u> | | <u>Credit Union Total Assets</u> | |
|------|------------------------------------|-------|--------------------------------------|-------|
| 1990 | 440 | | \$4,149,749,629 | |
| 1991 | 427 | -3.0% | 4,495,601,547 | 8.3% |
| 1992 | 418 | -2.1% | 4,991,545,738 | 11.0% |
| 1993 | 406 | -2.9% | 5,360,079,936 | 7.4% |
| 1994 | 394 | -3.0% | 5,755,100,100 | 7.4% |
| 1995 | 384 | -2.5% | 6,179,239,916 | 7.4% |
| 1996 | 375 | -2.3% | 6,569,929,386 | 6.3% |

5. The Department of Financial Institutions is funded with program revenue. It is estimated that the two requested credit union examiners would generate revenues equal to the amount of funding requested to fund their positions. These revenues would come from the fees charged for credit union examinations.

6. At the end of each fiscal year, any balance exceeding 10% of the Department's expenditures lapses to the general fund as GPR-Earned (the 10% amount is retained by DFI as an opening balance for the following fiscal year). If the two examiner positions are not approved, both PR revenues and PR expenditures would decrease by \$83,200 in 1997-98 and by \$101,000 in 1998-99. However, the lapse to the general fund would increase by \$8,300 in 1997-98 and by \$1,800 in 1998-99 because the amount DFI would retain as an opening balance would be reduced, which would increase the amount of GPR-Earned. If one examiner position is approved, GPR-Earned would increase by \$4,200 in 1997-98 and by \$900 in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to create 2.0 permanent credit union examiner positions. Provide \$83,200 PR in 1997-98 and \$101,000 PR in 1998-99 to fund these positions.

2. Modify the Governor's recommendation to create 1.0 permanent credit union examiner position. Decrease funding by \$41,600 PR in 1997-98 and by \$50,500 PR in 1998-99 and delete 1.0 position from the amounts provided in the bill. Increase the GPR-Earned estimate by \$4,200 in 1997-98 and \$900 in 1998-99.

| <u>Alternative 2</u> | <u>GPR</u> | <u>PR</u> |
|------------------------------------|------------|------------|
| 1997-99 REVENUE (Change to Bill) | \$5,100 | |
| 1997-99 FUNDING (Change to Bill) | | - \$92,100 |
| 1998-99 POSITIONS (Change to Bill) | | - 1.00 |

3. Delete the Governor's recommendation.

| <u>Alternative 3</u> | <u>GPR</u> | <u>PR</u> |
|------------------------------------|------------|-------------|
| 1997-99 REVENUE (Change to Bill) | \$10,100 | |
| 1997-99 FUNDING (Change to Bill) | | - \$184,200 |
| 1998-99 POSITIONS (Change to Bill) | | - 2.00 |

Prepared by: Kelsie Doty

MO# Alt #1

| | | | | | | | |
|----------|-------------------------------------|---|---|---------------|-------------------------------------|-----|---|
| JENSEN | <input checked="" type="checkbox"/> | N | A | BURKE | <input checked="" type="checkbox"/> | N | A |
| ZOURADA | <input checked="" type="checkbox"/> | N | A | DECKER | <input checked="" type="checkbox"/> | N | A |
| HARSDORF | <input checked="" type="checkbox"/> | N | A | GEORGE | <input checked="" type="checkbox"/> | N | A |
| ALBERS | <input checked="" type="checkbox"/> | N | A | JAUCH | <input checked="" type="checkbox"/> | N | A |
| GARD | <input checked="" type="checkbox"/> | N | A | WINEKE | <input checked="" type="checkbox"/> | N | A |
| KAUFERT | <input checked="" type="checkbox"/> | N | A | SHIBILSKI | <input checked="" type="checkbox"/> | N | A |
| LINTON | <input checked="" type="checkbox"/> | N | A | COWLES | <input checked="" type="checkbox"/> | N | A |
| COGGS | <input checked="" type="checkbox"/> | N | A | PANZER | <input checked="" type="checkbox"/> | N | A |
| | | | | AYE <u>16</u> | NO <u>0</u> | ABS | |

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Small Business Information Center (Financial Institutions)

[LFB Summary: Page 230, #8]

CURRENT LAW

No provision.

GOVERNOR

Provide \$67,200 in 1997-98 and \$26,000 in 1998-99 to fund the development and operation of a small business information center in the Division of Securities.

DISCUSSION POINTS

1. The information center would be operated by the Division of Securities. The center would assist small businesses in capital formation; promote the securities and franchise markets; and initiate public outreach within the business community. The emphasis would be to guide small businesses through the Wisconsin uniform securities law. In addition, the center would provide statistical information to persons interested in acquiring a franchise.

The center's staff would participate in conferences to assist businesses in capital raising projects and drafting prospectuses and would provide information on the services provided by the Division. The center would sponsor a small business seminar for the Wisconsin Bar Association. In addition, the center would work with county economic development offices in Wisconsin and small business entrepreneurial programs operated by state universities. Finally,

the center has been invited by the Federal Securities and Exchange Commission (FSEC) to attend a national small business forum.

The Division has already implemented changes related to the activities that would be conducted as part information center. Specifically, the Division has participated in conferences to assist businesses in their capital raising projects and to provide assistance with registration requirements.

2. Of the funding provided, \$26,000 in each year would be used for the following purposes: (a) \$4,000 for FSEC seminar costs; (b) \$12,000 for visits to county offices and universities; and (c) \$10,000 to host two small business seminars for the Wisconsin Bar Association. One time funding of \$41,200 would be used in 1997-98 for the following: (a) \$25,000 to produce a video for presentations to, and for use by, small business groups; (b) \$14,200 to create a traveling display for business fairs and seminars; and (c) \$2,000 for a color monitor and printer.

3. There are a number of public and private organizations that provide assistance to small businesses. For example, the Wisconsin Small Business Development Center (WSBDC) offers business feasibility workshops and provides counseling in business plan development, accounting, marketing and management. Federal and state funding is provided to operate a WSBDC office in 11 of the University of Wisconsin four-year campuses.

Based on discussions with staff at the WSBDC, many of the services provided by WSBDC would be similar to the services that would be provided by the proposed small business information center in DFI. However, the proposed DFI center would have expertise in issues related to the securities markets that the WSBDC staff does not possess. It was indicated that, if the DFI center is approved, the WSBDC would refer clients to the center.

In addition to the WSBDC, the Service Corps of Retired Executives (SCORE) provides services to help new businesses develop business, marketing and financial plans. Finally, there are private business consultants that provide services such as accounting, marketing and financial planning.

4. The Department is funded with program revenue. The Department indicated that the center would generate revenues equal to the amount of funding required to fund its activities. These revenues would come from licensing fees charged by the Division.

5. At the end of each fiscal year, any balance exceeding 10% of the Department's expenditures lapses to the general fund as GPR-Earned (the 10% amount is retained by DFI as an opening balance for the following fiscal year). If the funding for the center is not approved, both PR revenues and PR expenditures would decrease by \$67,200 in 1997-98 and \$26,000 in 1998-99. However, the lapse to the general fund would increase by \$6,700 in 1997-98 and decrease by \$4,100 in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$67,200 in 1997-98 and \$26,000 in 1998-99 to fund the development and operation of a small business information center in the Division of Securities.

2. ~~Fail~~ Delete the Governor's recommendation.

| <u>Alternative 2</u> | <u>GPR</u> | <u>PR</u> |
|----------------------------------|------------|------------|
| 1997-99 REVENUE (Change to Bill) | \$2,600 | |
| 1997-99 FUNDING (Change to Bill) | | - \$93,200 |

Prepared by: Kelsie Doty

MO# Alt #1

| | | | |
|----------|---|---|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

| | | | |
|-----------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 8 NO 8 ABS

FAIL

MO# Alt #2

| | | | |
|----------|---|---|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

| | | | |
|-----------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 8 NO 8 ABS

FAIL

| |
|---|
| <p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p> |
|---|

ISSUE**Technology-Related Requests (Financial Institutions)**

[LFB Summary: Pages 228 thru 230, #2 thru 5, 7 and 9 thru 11]

CURRENT LAW

No provision.

GOVERNOR

Provide \$897,500 PR in 1997-98 and \$1,103,100 PR in 1998-99 for the following technology-related activities in the Department of Financial Institutions (DFI):

| | <u>1997-98</u> | <u>1998-99</u> |
|---|------------------|--------------------|
| Small Agency Infrastructure Support | \$369,100 | \$369,100 |
| Corporation Registration Information System | 250,000 | 250,000 |
| Optical Imaging | 40,000 | 200,000 |
| UCC Lien System -- County Equipment Upgrade | 114,000 | 114,000 |
| Shared Data Base Management System | 69,400 | 100,000 |
| Information Technology Training | 30,000 | 30,000 |
| UCC Lien System Study | 0 | 40,000 |
| UCC Lien System -- Additional Lines | <u>25,000</u> | <u>0</u> |
| TOTAL | \$897,500 | \$1,103,100 |

DISCUSSION POINTS

1. The funding recommended for technology-related activities in the Department would be used for the following activities:

a. **Small Agency Infrastructure Support.** Funding represents the last two years of the three-year payment plan for master leases and charges for Infotech support.

b. **Corporate Registration Information System.** Replace and rewrite the corporation registration information system (CRIS) and convert the application to a local area network (LAN). The CRIS maintains records and conducts inquiries of registered corporations in the state, including the corporate name, type, date of incorporation, annual report information, registered agent and address.

c. **Optical Imaging.** Fund an optical imaging project in the Division of Banking and the Uniform Commercial Code (UCC) lien section of the Department. Optical imaging electronically scans and stores paper documents, which allows each document to be retrieved more quickly and viewed simultaneously by multiple users.

d. **UCC Lien System -- County Equipment Upgrade.** Upgrade computer equipment used by the register of deeds in each county to access the statewide UCC lien system computer. The funding would be used to upgrade 18 county computers each year (\$3,000 per computer and \$3,000 per printer) for a total of \$108,000, plus \$6,000 annually for travel expenses. At this level of funding, all counties would be upgraded by 2000-01.

e. **Shared Data Base Management System.** Develop and install a data base management system in DFI. As part of the 1995-97 biennial budget, five state agencies were combined into DFI, each of which had its own computer system. This funding would be used to convert the separate systems into a common data base that would operate on a local area network (LAN).

f. **Information Technology Training.** Increase the amount available for DFI staff information technology training. Department of Administration staff have indicated that DFI will not be eligible to receive SASI help desk support until DFI's staff is trained to IT standards.

g. **UCC Lien System Study.** Study the feasibility of converting the UCC lien system applications currently on a WANG computer, previously supported by the Secretary of State, to the LAN. The WANG is eight years old and will be ten by the time the study is completed. The WANG application is out-of-date and is supported by consultants. In addition, the application does not conform to state information technology standards. The study would allow a new system to be created, which could be integrated with DFI's other databases.

h. **UCC Lien System -- Additional Lines.** Provide 64 additional lines of connection to the UCC lien system computer. Currently there are 64 lines available for the 72 counties and 70 public access UCC computers.

2. Most of the funding for technology-related activities appears reasonable. However, the \$250,000 recommended annually for converting the CRIS application warrants consideration.

The CRIS application in Division of Corporate and Consumer Services (DCCS) is currently on the Infotech mainframe. The existing system is currently 15 years old and is in a format that Infotech does not intend to support in the future.

The Department intends to conduct a feasibility study prior to converting the system. However, at this time, there is no data available to provide an estimate of how much it will cost to convert the system. An alternative could be to provide \$150,000 in 1997-98 to allow DFI to conduct the feasibility study and to develop a plan for converting the CRIS. (The \$150,000 figure is based on discussions with staff at the Department of Administration's Division of Technology and Management.) When the study is complete, the Department could request funding under s. 16.515 to begin converting the system, based on the study results.

The Department is funded with program revenues. The Department indicated that DCCS is funded with fees charged for its services. At the end of each fiscal year, any balance exceeding 10% of the Department's expenditures lapses to the general fund as GPR-Earned (the 10% amount is retained by DFI as an opening balance for the following fiscal year). If the funding for the CRIS is reduced by \$100,000 in 1997-98 and by \$250,000 in 1998-99, both PR revenues and PR expenditures would decrease by that amount. However, the lapse to the general fund would increase by \$10,000 in 1997-98 and by \$15,000 in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$897,500 PR in 1997-98 and \$1,103,100 PR in 1998-99 for technology-related activities in the Department of Financial Institutions.

2. Delete \$100,000 in 1997-98 and \$250,000 in 1998-99 from the funding recommended to replace and rewrite the CRIS. The \$150,000 remaining in 1997-98 would be used to conduct a feasibility study and develop a plan to convert the system.

| <u>Alternative 2</u> | <u>GPR</u> | <u>PR</u> |
|----------------------------------|------------|-------------|
| 1997-99 REVENUE (Change to Bill) | \$25,000 | |
| 1997-99 FUNDING (Change to Bill) | | - \$350,000 |

3. Delete the Governor's recommendation.

| <u>Alternative 3</u> | <u>GPR</u> | <u>PR</u> |
|----------------------------------|------------|---------------|
| 1997-99 REVENUE (Change to Bill) | \$110,300 | |
| 1997-99 FUNDING (Change to Bill) | | - \$2,000,600 |

Prepared by: Kelsie Doty

MO# AH#2

| | | | |
|----------|--------------|--------------|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

| | | | |
|-----------|--------------|--------------|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 9 NO 7 ABS

FINANCIAL INSTITUTIONS

Definition of Capital in Banking Laws

Motion:

Move to include the bank's surplus in the definition of capital in the banking laws.

Note:

1995 Wisconsin Act 336 made a number of changes to the state's banking laws. One provision modified the definition of "capital" which is used to limit loans and investments that can be made by a state bank to any one person or entity. Under Act 336, capital is the sum of all the following, less the bank's tangible assets: capital stock, preferred stock, undivided profits and outstanding notes and debentures. Surplus was included with capital to determine loan and investment limits prior to Act 336, but was inadvertently omitted when the provision was modified in Act 336.

The motion would add the bank's surplus to the amounts that are added to determine a bank's capital. Since surplus is not included in the definition of capital under current law, this motion would increase a bank's capital and the amount that could be lent to one person or entity. Surplus is made up of a bank's retained earnings.

MO# 1069

| | | | |
|-----------|-------------------------------------|---|---|
| JENSEN | <input checked="" type="checkbox"/> | N | A |
| OURADA | <input checked="" type="checkbox"/> | N | A |
| HARSDORF | <input checked="" type="checkbox"/> | N | A |
| ALBERS | <input checked="" type="checkbox"/> | N | A |
| GARD | <input checked="" type="checkbox"/> | N | A |
| KAUFERT | <input checked="" type="checkbox"/> | N | A |
| LINTON | <input checked="" type="checkbox"/> | N | A |
| COGGS | <input checked="" type="checkbox"/> | N | A |
| | | | |
| BURKE | <input checked="" type="checkbox"/> | N | A |
| DECKER | <input checked="" type="checkbox"/> | N | A |
| GEORGE | <input checked="" type="checkbox"/> | N | A |
| JAUCH | <input checked="" type="checkbox"/> | N | A |
| WINEKE | <input checked="" type="checkbox"/> | N | A |
| SHIBILSKI | <input checked="" type="checkbox"/> | N | A |
| COWLES | <input checked="" type="checkbox"/> | N | A |
| PANZER | <input checked="" type="checkbox"/> | N | A |

Motion #1069

AYE 16 NO 0 ABS

Representative Harsdorf
~~Representative Shibilski~~
Senator

FINANCIAL INSTITUTIONS

Registration of Community-Based Organizations

Motion:

Move to delete the requirement that community-based organizations that provide housing assistance to low-income individuals have to register with the Department of Financial Institutions as loan originators, loan solicitors or mortgage bankers. Specify that community-based organizations are not subject to certain disciplinary provisions related to registration.

Note:

Under current law, community-based organizations that provide services to low-income individuals directly related to housing assistance are required to register with the Department and are subject to certain disciplinary actions. However, these organizations are not regulated by DFI. This motion would delete the registration requirement and discipline provision.

MO# 1070

| | | | |
|----------|-------------------------------------|---|---|
| JENSEN | <input checked="" type="checkbox"/> | N | A |
| OURADA | <input checked="" type="checkbox"/> | N | A |
| HARSDORF | <input checked="" type="checkbox"/> | N | A |
| ALBERS | <input checked="" type="checkbox"/> | N | A |
| GARD | <input checked="" type="checkbox"/> | N | A |
| KAUFERT | <input checked="" type="checkbox"/> | N | A |
| LINTON | <input checked="" type="checkbox"/> | N | A |
| COGGS | <input checked="" type="checkbox"/> | N | A |

| | | | |
|-----------|-------------------------------------|---|---|
| BURKE | <input checked="" type="checkbox"/> | N | A |
| DECKER | <input checked="" type="checkbox"/> | N | A |
| GEORGE | <input checked="" type="checkbox"/> | N | A |
| JAUCH | <input checked="" type="checkbox"/> | N | A |
| WINEKE | <input checked="" type="checkbox"/> | N | A |
| SHIBILSKI | <input checked="" type="checkbox"/> | N | A |
| COWLES | <input checked="" type="checkbox"/> | N | A |
| PANZER | <input checked="" type="checkbox"/> | N | A |

AYE 16 NO 0 ABS

FINANCIAL INSTITUTIONS

Nondiscrimination Rules -- Automated Teller Machines

Motion:

Move to require the rules of the division of banking to provide that any bank ATM would be available for use, on a nondiscriminatory basis, by any state or national bank and by all customers designated by a bank.

Note:

This provision currently applies to credit unions, savings banks and savings and loans. This provision, as it relates to banks, currently states that ATM service shall be available for use, on a nondiscriminatory basis, by any state or national bank. The nondiscrimination provision is not extended to the customers of other banks. This motion would correct a drafting error in 1995 Wisconsin Act 55.

MO# 1068

| | | | |
|----------|-------------------------------------|---|---|
| JENSEN | <input checked="" type="checkbox"/> | N | A |
| OURADA | <input checked="" type="checkbox"/> | N | A |
| HARSDORF | <input checked="" type="checkbox"/> | N | A |
| ALBERS | <input checked="" type="checkbox"/> | N | A |
| GARD | <input checked="" type="checkbox"/> | N | A |
| KAUFERT | <input checked="" type="checkbox"/> | N | A |
| LINTON | <input checked="" type="checkbox"/> | N | A |
| COGGS | <input checked="" type="checkbox"/> | N | A |

| | | | |
|-----------|-------------------------------------|---|---|
| BURKE | <input checked="" type="checkbox"/> | N | A |
| DECKER | <input checked="" type="checkbox"/> | N | A |
| GEORGE | <input checked="" type="checkbox"/> | N | A |
| JAUCH | <input checked="" type="checkbox"/> | N | A |
| WINEKE | <input checked="" type="checkbox"/> | N | A |
| SHIBILSKI | <input checked="" type="checkbox"/> | N | A |
| COWLES | <input checked="" type="checkbox"/> | N | A |
| PANZER | <input checked="" type="checkbox"/> | N | A |

AYE 16 NO 0 ABS

| | | | |
|-----------|-----|---|---|
| | A | N | X |
| JENSEN | A | N | X |
| COURADA | A | N | X |
| HARSDORF | A | N | X |
| ALBERS | A | N | X |
| GARD | A | N | X |
| KAUFGERT | A | N | X |
| LINTON | A | N | X |
| COGGS | A | N | X |
| BURKE | A | N | X |
| DECKER | A | N | X |
| GEORGE | A | N | X |
| JAUCH | A | N | X |
| WINEKE | A | N | X |
| SHIBILSKI | A | N | X |
| COWLES | A | N | X |
| PANZER | A | N | X |
| AYE NO | ABS | D | |

FINANCIAL INSTITUTIONS

Wisconsin Business Corporation Law -- Term Substitution

Motion:

Move to substitute the term "resident domestic corporation" for the term "issuing public corporation" for purposes of the anti-takeover provisions of the Wisconsin business corporation law.

Note:

The anti-takeover provisions in the Wisconsin business corporation law generally refer to "issuing public corporations," which are domestic corporations that have assets exceeding \$1 million and equity securities held of record by 500 or more persons, 100 of which are residents of Wisconsin. In the past, an individual who owned a security was recorded as the security owner. However, it has become more common for the security owner to hold the stock in the name of a clearing house (such as a broker or bank), which is often located outside of the state. One clearing agency may hold stock in the name of many individuals. In addition, stock is often held in the form of retirement plans or mutual funds. As a result, record ownership of stocks has declined in recent years and it has become difficult to identify who owns a specific stock.

The term "resident domestic corporation" means a domestic corporation that has its principal offices located in Wisconsin, significant business operations in the state, has more than 10% of the holders of record of its shares as residents of Wisconsin and more than 10% of its shares are held of record by residents of this state. This definition does not refer to the actual number of outstanding securities held by state residents, but rather, to a percent of total securities. In addition, it defines a Wisconsin business based on its location and its operations.

This motion would affect the fair price, defensive action and control shares provisions of the Wisconsin business corporation law. These provisions were enacted prior to the business combination provision, which currently uses the term "resident domestic corporation". This motion would allow more businesses to be covered by Wisconsin anti-takeover laws.

Motion #810

MO# 810

| | | | |
|----------|---|---|---|
| JENSEN | ✓ | N | A |
| OURADA | ✓ | N | A |
| HARSDORF | ✓ | N | A |
| ALBERS | ✓ | N | A |
| GARD | ✓ | N | A |
| KAUFERT | ✓ | N | A |
| LINTON | ✓ | N | A |
| COGGS | ✓ | N | A |

| | | | |
|-----------|---|---|---|
| BURKE | ✓ | N | A |
| DECKER | ✓ | N | A |
| GEORGE | ✓ | N | A |
| JAUCH | ✓ | N | A |
| WINEKE | ✓ | N | A |
| SHIBILSKI | ✓ | N | A |
| COWLES | ✓ | N | A |
| PANZER | ✓ | N | A |

AYE 16 NO 0 ABS

FINANCIAL INSTITUTIONS

LFB Summary Items for Introduction as Separate Legislation

| <u>Item #</u> | <u>Title</u> |
|---------------|--|
| 12 | Division of Savings Institutions -- Name Change |
| 13 | Financial Record Matching Program -- Delinquent Child Support Payments |
| 14 | License Denial, Suspension and Revocation -- Delinquent Support and Taxes |
| 15 | Release of Confidential Information for Support Enforcement and Public Assistance Administration |